

CLASSIFICATION RESTRICTED  
 SECURITY INFORMATION  
 CENTRAL INTELLIGENCE AGENCY  
 INFORMATION FROM  
 FOREIGN DOCUMENTS OR RADIO BROADCASTS

REPORT

CD NO.

STAT

COUNTRY China  
 SUBJECT Economic; Transportation - Rail, water  
 HOW PUBLISHED Daily newspapers  
 WHERE PUBLISHED Hong Kong; Hankow  
 DATE PUBLISHED 3 Apr - 18 May 1952  
 LANGUAGE Chinese

DATE OF INFORMATION 1952

DATE DIST. 14 Aug 1952

NO. OF PAGES 3

SUPPLEMENT TO REPORT NO.

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES WITHIN THE MEANING OF ESPIONAGE ACT 50 U. S. C. 31 AND 32, AND 18 USC 793. ITS TRANSMISSION OR THE REVELATION OF ITS CONTENTS IN ANY MANNER TO AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW. REPRODUCTION OF THIS FORM IS PROHIBITED.

THIS IS UNEVALUATED INFORMATION

SOURCE Newspapers as indicated.

LUNG-MEN HARBOR DEVELOPMENT, RR CONSTRUCTION;  
INCREASE IN NORTHEAST FREIGHT RATES

Construction of harbor facilities at Lung-men, near Ch'in-hsien, Kwangsi, and of the railway connecting the harbor with Nan-ning, is in progress with advice of Soviet engineers and the labor of some 100,000 workers. Six out of ten warehouses are completed.

A pro-Nationalist newspaper published in Hong Kong claims that South China railways are at a low point of efficiency due in part to the stripping of railway staffs, for political reasons, of many experienced workers, and the resulting in deterioration.

The Ministry of Railways has announced an increase in the freight rates on the railways of the Northeast to go into effect 1 April 1952. The ministry termed this action a "readjustment" which would mitigate the discrepancy between rates in the Northeast and the rest of China.

HARBOR DEVELOPMENT, RR CONSTRUCTION AT LUNG-MEN -- Hong Kong, Kung-shang, Jih-pao, 18 May 52

Canton, 17 May, (special dispatch) -- The Chinese Communist Government is now engaged in developing the harbor at Lung-men, near Ch'in-hsien. At the end of April, about 60 engineers and construction workers from USSR passed through Nan-ning on their way to Lung-men where they are to supervise the construction of the harbor which is now being developed. The Kwangtung Construction Company (government-operated) has been ordered to send 30 technical men and 300 construction workmen to Lung-men for this work. These men assembled at Huang-p'u and left yesterday for Lung-men on the SS Hai-nan.

There are to be two wharves and more than ten warehouses, of which six are already finished. Communist cargo ships are constantly entering and leaving the harbor, which is to be one of the chief transportation centers used by the Communists for handling supplies for its enterprises in Southeast Asia.

- 1 -

CLASSIFICATION RESTRICTED

STATE	<input checked="" type="checkbox"/> NAVY	<input checked="" type="checkbox"/> NSRB	DISTRIBUTION					
ARMY	<input checked="" type="checkbox"/> AIR	<input checked="" type="checkbox"/> FBI						

RESTRICTED

STAT

Canton, (Chung-lien She) -- In implementation of the Sino-Soviet Military Convention which was made to facilitate Soviet usurpation of Southeast Asia, besides completing the Lai-pin -- Chen-nan-kuan railway, the Chinese Communist government recently decided to convert the Nan-ning -- Ch'in-hsien highway into a railway. In April, the Minister of Railways, T'eng Tai-yuan, accompanied by Engineer Li Hao-po and more than 20 Soviet advisers, visited Ch'in-hsien on an inspection tour. The project is to be finished this year. Some 100,000 peasant laborers from southern Kwangsi and western Kwangtung have been conscripted for the building of this railway.

**SERIOUS DEFICIENCIES OF SOUTH CHINA RR -- Hong Kong, Kung-shang Jih-pao, 11 May 52**

Canton, (our own correspondent) -- Since China's marine transportation is severely limited by her naval weakness and consequent inability to protect her ships on the high seas, the Communists have been forced to depend almost entirely on railways for military transport. Although her motor highways might supplement the railways, their use is limited by the scarcity of motor vehicles and motor fuels, and the disrepair of highways and bridges. As a result, the entire transport capacity of the country is inadequate to handle the most important supply requirements.

The Yueh-Han (Canton-Hankow) Railway and the Hsiang-Kuei (Hunan-Kwangsi) Railway would ordinarily be a main artery of transportation, but, on the grounds that they were anti-Communist, these two lines have been largely stripped of the experienced members of their working staffs, and the suspected or accused workers have been liquidated or transferred elsewhere. Within the past 2 years, over 60 percent of the experienced workers on these two lines have been replaced by men entirely lacking in technical experience and unfamiliar with railway problems.

As a consequence, these railways suffered a big drop in efficiency. New workmen were sent to supervise old workmen, thus causing divergent views as to how work should be handled, with the domineering attitudes shown on the part of the former inducing vexation on the part of the latter. Frequently, there have been go-slow strikes that have caused delays in the completion of repairs to rolling stock. According to reports, three-fifths of the locomotives on the Yueh-Han line are in a defective condition. The Chinese Communist government has approached the British regarding the purchase of new locomotives and have been rebuffed. Now they are trying to get them from East Germany, but the latter has none available at present and hence is unable to supply the need within a short time.

In view of these circumstances, the Communist government has given stern orders to repair and use all old rolling stock. The result is that the speed of the trains on the Yueh-Han line is lowered and the trains are usually behind schedule, which fact frequently causes accidents. Many defective freight cars are left standing on the sidings at stations all along the line. To cover the section between Lo-ch'ang and Ch'u-chiang, freight trains sometimes require 2 or 3 days, and meanwhile, freight piles up at the stations. Recently, the 39th Army of the Fourth Field Army required 32 days for its transportation from Ch'ing-chou to Canton. With such delays, should emergency conditions arise, the CCG would be powerless to meet them.

In view of this situation, the Communist authorities have sternly reprimanded all ranks of cadres on the Yueh-Han line in particular, and are frantically trying to induce overseas Chinese with railway experience to return to the mainland to help remedy the situation; but the majority refuse to return to Communist territory.

- 2 -

RESTRICTED

RESTRICTED

STAT

ADJUSTMENT OF NORTHEAST FREIGHT RATES -- Hankow, Ch'ang-chiang Jih-pao,  
3 Apr '52

Peiping, 30 March (Hsin-hua) -- The Committee of Finance and Economics, Government Administrative Council, has approved a decision of the Ministry of Railways, Central People's Government, concerning a readjustment of freight rates on the railways of the Northeast which is to go into effect on 1 April 1952.

Hitherto, there has been a marked difference in the freight rates charged by the Northeast Railways and those charged by the railways of North China and South China. This difference is substantially reduced by the present decision, however, the rates charged in the Northeast will still be less than those in the rest of China.

- E N D -

- 3 -

RESTRICTED